

STATE OF SOUTH CAROLINA

South Carolina Electric & Gas Company – Annual
Review of Base Rates for Fuel Costs

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2010 - 2 - E

(Please type or print)

Submitted by: K. Chad Burgess

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input checked="" type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		



K. Chad Burgess
Assistant General Counsel

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April 15, 2010

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Interim Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Annual Review of Base Rates for Fuel Costs of South Carolina Electric & Gas
Company
Docket No. 2010-2-E

Dear Ms. Boyd:

During the March 25, 2010 hearing in this Docket, the Commission directed South Carolina Electric & Gas Company ("SCE&G") to submit late filed exhibits to provide budgeting information for sulfur dioxide emission allowance credit purchases and to provide the ending balance of the sulfur dioxide emission allowance account.

Pursuant to the Commission's request, please accept these into the hearing record for this proceeding as late-filed exhibits to be identified, per the court reporter, as Hearing Exhibit No. 4 and Hearing Exhibit No. 5.

If you have any questions, please advise.

Very truly yours,

K. Chad Burgess

KCB/kms
Enclosures

cc: Shannon Bowyer Hudson, Esquire
Courtney D. Edwards, Esquire
Scott Elliott, Esquire
E. Wade Mullins, Esquire
Joey F. Floyd, Esquire
Damon E. Xenopoulos, Esquire
(all via First Class U.S. Mail and electronic mail)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2010-2-E

IN RE:

South Carolina Electric & Gas Company's
Annual Review of Base Rates for
Fuel Costs.

HEARING EXHIBIT NO. 4

South Carolina Electric & Gas Company ("SCE&G" or "Company") was asked to provide budgeting information for sulfur dioxide ("SO₂") emission allowance credit purchases and to explain how the Company budgets for such purchases in light of market volatility. Below is the requested information.

The Company's forecasted need to purchase SO₂ emission allowance credits is based on projected sources of electric generation as well as SCE&G's current inventory level of SO₂ emission allowance credits. If the Company's current inventory level of SO₂ emission allowance credits is insufficient to cover the emissions from SCE&G's sources of electric generation, then the Company must (i) purchase SO₂ emission allowance credits on the open market, (ii) perform trades with other entities, or (iii) participate in the SO₂ emission allowance credits auction which is administered by the United States Environmental Protection Agency.

SCE&G is currently in the process of acquiring SO₂ emission allowance credits through 2013. Based upon the Company's forecast, SCE&G will need to obtain approximately 20,000 SO₂ emission allowance credits to cover its forecasted emissions through 2013. For budgeting purposes, the amount of SO₂ emission allowance credits needed and their current market value is placed into SCE&G's cash requirements for the period in which the allowances are scheduled for

purchase. For example, if SCE&G purchases 20,000 SO₂ emission allowance credits at today's current market value and those allowance credits are not scheduled for use until 2013, then the amount of that purchase is placed into SCE&G's cash requirements for 2010. Please note, however, that the actual amount of SO₂ emission allowance credits required by the Company will vary because of differences between actual emissions and forecasted emissions.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2010-2-E

IN RE:)	
)	
South Carolina Electric & Gas Company's)	
Annual Review of Base Rates for)	HEARING EXHIBIT NO. 5
Fuel Costs.)	
_____)	

At the hearing in the above-referenced docket, the Public Service Commission of South Carolina asked South Carolina Electric & Gas Company to provide the ending balance of the sulfur dioxide emission allowance account (Account 254.0100) as of December 31, 2009. The balance of Account 254.0100 as of December 31, 2009 is \$0.00.